

RECEIVED
LEGISLATIVE AUDITOR
00 NOV 16 AM 9:15

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
Years Ended June 30, 2000 and 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-10-00

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	4-5
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF CASH FLOWS	7-8
NOTES TO FINANCIAL STATEMENTS	9-12
SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	13-16
COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS - ANNUAL	17
SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS	18-19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	20
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21-22
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	23-24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	26
CERTIFICATION OF PROJECT OWNER	27
MANAGEMENT AGENT'S CERTIFICATION	28

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.

JULIA W. PORTUS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.
JENNIE ROBICHEAUX, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (337) 439-1986
FACSIMILE (337) 439-1366

August 14, 2000

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

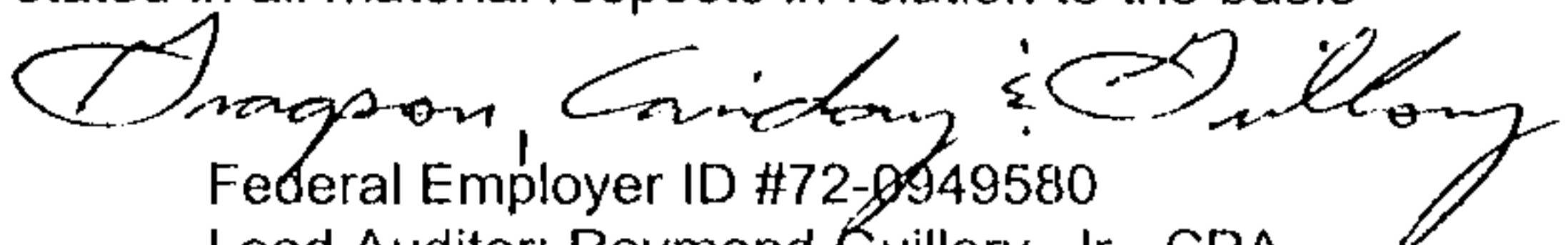
We have audited the accompanying statements of financial position of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013 as of June 30, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibilities of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Disabled Persons Finance Corporation as of June 30, 2000 and 1999 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2000, on our consideration of the Corporation's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information required by the U.S. Department of Housing and Urban Development on pages 13 through 19 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Louisiana Disabled Persons Finance Corporation. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Federal Employer ID #72-0949580
Lead Auditor: Raymond Guillory, Jr., CPA

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF FINANCIAL POSITION

June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 9,664	\$ 8,406
Accounts receivable - tenants	<u>9</u>	<u>402</u>
TOTAL CURRENT ASSETS	9,673	8,808
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Tenant security deposits	1,345	900
Reserve for replacements	<u>11,450</u>	<u>15,105</u>
	12,795	16,005
PROPERTY AND EQUIPMENT		
Buildings	530,689	528,002
Fixed equipment	22,947	22,947
Construction in progress	-	2,926
Portable equipment	<u>19,977</u>	<u>19,456</u>
	573,613	573,331
Less accumulated depreciation	<u>216,885</u>	<u>197,158</u>
	356,728	376,173
Land	<u>56,696</u>	<u>56,696</u>
	413,424	432,869
	\$ 435,892	\$ 457,682

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS (DEFICIT)

	<u>2000</u>	<u>1999</u>
CURRENT LIABILITIES		
Current portion of mortgage payable	\$ 4,298	\$ 3,929
Accounts payable	948	4,921
Accrued interest payable	4,284	4,313
Due to affiliate	<u>31,400</u>	<u>31,400</u>
TOTAL CURRENT LIABILITIES	40,930	44,563
TENANTS' SECURITY DEPOSITS	1,345	900
MORTGAGE NOTE PAYABLE, less current portion	566,874	571,172
NET ASSETS (DEFICIT)	<u>(173,257)</u>	<u>(158,953)</u>
	\$ 435,892	\$ 457,682

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
REVENUES		
Housing assistance payments	\$ 50,047	\$ 45,574
Rental	45,129	42,338
Other	<u>892</u>	<u>989</u>
TOTAL REVENUE	96,068	88,901
EXPENSES		
Administrative	6,075	6,425
Management fees	4,514	4,396
Utilities	14,205	13,178
Operating and maintenance	8,879	9,037
Depreciation	19,727	19,561
Insurance	5,402	6,310
Interest	<u>51,570</u>	<u>51,909</u>
TOTAL EXPENSES	<u>110,372</u>	<u>110,816</u>
CHANGE IN NET ASSETS	(14,304)	(21,915)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(158,953)</u>	<u>(137,038)</u>
NET ASSETS (DEFICIT), END OF YEAR	\$ (173,257)	\$ (158,953)

See accompanying notes to financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T84-013

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Housing assistance payments	\$ 50,047	\$ 45,574
Rental	45,191	42,264
Other income	<u>892</u>	<u>989</u>
	96,130	88,827
Administrative	5,744	6,425
Management fees	4,514	4,396
Utilities	14,205	13,178
Operating and maintenance	12,852	4,992
Insurance	5,402	6,310
Interest	<u>51,599</u>	<u>51,936</u>
	<u>94,316</u>	<u>87,237</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,814	1,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for construction in progress and fixed assets	(282)	(2,926)
Deposits to reserve for replacement and interest retained in account	<u>(2,060)</u>	<u>(2,087)</u>
Withdrawals from reserve for replacements	<u>5,715</u>	<u>860</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,373	(4,153)
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage principal payments	<u>(3,929)</u>	<u>(3,593)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(3,929)</u>	<u>(3,593)</u>
NET INCREASE (DECREASE) IN CASH	1,258	(6,156)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,406</u>	<u>14,562</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,664	\$ 8,406

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF CASH FLOWS - CONTINUED

Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (14,304)	\$ (21,915)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	19,727	19,561
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	393	(74)
Increase (decrease) in accounts payable	(3,973)	4,045
Increase (decrease) in accrued interest	<u>(29)</u>	<u>(27)</u>
	<u>16,118</u>	<u>23,505</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,814	\$ 1,590

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Louisiana Disabled Persons Finance Corporation (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

1. Organization

Louisiana Disabled Persons Finance Corporation was organized as a nonprofit organization formed to acquire and operate an apartment project, located in Lake Charles, Louisiana, under the provisions of Section 221(d)(4) of the National Housing Act. The Corporation acquired the apartment project on July 1, 1989 and rents apartments to mentally and physically-handicapped individuals in Southwest Louisiana. A portion of the tenants' rents are subsidized by the U.S. Department of Housing and Urban Development (HUD).

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Financial Statement Presentation

The Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Corporation is required to report information regarding the nature and amount of its net assets. The Corporation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present net assets. None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under SFAS No. 117.

Continued

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-
CONTINUED

4. Depreciation

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of assets to operations over the following estimated useful lives on the straight-line method.

	<u>Years</u>
Building	5-30
Fixed equipment	15
Portable equipment	5

The property and equipment of the Organization may not be disposed of without the prior approval of HUD.

5. Income Taxes

The Corporation is a nonprofit organization generally not subject to income taxes according to the provisions of Federal Internal Revenue Code Section 501(c)3 and Louisiana State income tax laws and regulations and, in accordance with an Internal Revenue Service determination letter dated December 13 ,1999, is not a private foundation as defined in Federal Internal Revenue Code Section 509(a)(i).

6. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less.

7. Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$158 into the reserve fund. The funds may only be used after approval is obtained from HUD.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

NOTE B - MORTGAGE NOTE PAYABLE

U.S. Department of Housing and Urban Development:

First mortgage note, insured by the U.S.

Department of Housing and Urban Development;

secured by property and equipment, payable in

monthly installments of principal and

interest of \$4,627 (including interest at

9% per annum) to the year 2029

\$ 571,172

Less current maturities

4,298

\$ 566,874

The following are maturities of long-term debt for each of the next five years:

June 30, 2001	\$ 4,298
June 30, 2002	\$ 4,701
June 30, 2003	\$ 5,142
June 30, 2004	\$ 5,624
June 30, 2005	\$ 6,152

NOTE C - COMMITMENTS AND CONTINGENCIES

Louisiana Disabled Persons Finance Corporation receives a substantial amount of its support from the U.S. Department of Housing and Urban Development. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Corporation's programs and activities.

NOTE D - RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with Calcasieu Association for Retarded Citizens, Inc. (CARC). Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements. Included in the financial statements for June 30, 2000 and 1999 is a liability to CARC of \$31,400, representing amounts advanced by CARC for operations in previous years. Also, included in accounts payable at June 30, 2000 and 1999 are expenses totaling \$948 and \$4,921, respectively, which have been paid by CARC but were not yet reimbursed as of the date of the balance sheets. These amounts are due on demand by CARC.

Continued

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

NOTE D - RELATED PARTY TRANSACTIONS -CONTINUED

CARC acts as the Corporation's management agent and, as such, provides a substantial amount of support to the Corporation for a management fee based on 5% of the Corporation's residential income from the apartment complex. For the years ended June 30, 2000 and 1999, CARC's management fees were \$4,514 and \$4,396, respectively.

NOTE E - CONCENTRATIONS

The Corporation's operations are concentrated in the real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE F - RENT INCREASES

Under the regulatory agreement, the Corporation may not increase rents charged to tenants without HUD approval.

**SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT**

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2000

Accounts and notes receivable (other than from regular tenants):

None \$ -0-

Delinquent tenant accounts receivable:

Delinquent 30 days \$ 9

Mortgage escrow deposits:

None \$ -0-

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by First Federal Savings and Loan Association, Lake Charles, Louisiana. At June 30, 2000, the account consisted of \$1,571 in cash. Interest earned on the account does not inure to the tenants.

Reserve for replacements:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by First Federal Savings and Loan Association to be used for replacement of property with the approval of HUD as follows:

Balance, July 1, 1999	\$ 15,105
Deposits	1,896
Interest earned	164
Disbursements	<u>(5,715)</u>
Balance, June 30, 2000	\$ 11,450

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2000

Accounts payable (other than trade creditors):

As of June 30, 2000, accounts payable totaled \$948 and were for miscellaneous supplies and repairs.

Management fees payable:

As of June 30, 2000, no management fees were due to the Calcasieu Association for Retarded Citizens, Inc.

Accrued taxes:

As of June 30, 2000, there were no accrued taxes.

Loans (other the insured mortgages) and notes payable:

None

Comments on statement of position:

None

Compensation of officers:

There was no compensation of officers for the year ended June 30, 2000.

Identity-of-interest companies:

None

Donations, Subsidy Payments and Founder's Fees:

Amounts received during the year ended June 30, 2000 are as follows:

Section 8 rent subsidy	\$ 50,047
------------------------	-----------

Changes in ownership interests:

Not applicable

Continued

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013
SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2000

Distributions paid to the owners:

Not applicable

Unauthorized distributions paid to the owners:

Not applicable

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013
SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2000

Computation of surplus cash, distributions, and residual receipts - annual

Cash	\$ 11,009
Tenant subsidy vouchers due	<u>9</u>
Total Cash	11,018
Current Obligations	
Accrued mortgage interest payable	4,298
Accounts payable due within 30 days	948
Loans and notes payable due within 30 days	343
Due to affiliate	31,400
Tenant security deposits	<u>1,345</u>
Total Current Obligations	<u>38,334</u>
Surplus Cash (Deficiency)	\$ (27,316)

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Year Ended June 30, 2000

<u>Fixed Assets</u>	<u>Assets</u>			<u>Balance June 30, 2000</u>
	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Transfers Retirements</u>	
Buildings	\$ 528,002	\$ -	\$ 2,687	\$ 530,689
Fixed equipment	22,947	-	-	22,947
Portable equipment	19,456	-	521	19,977
Construction in progress	<u>2,926</u>	<u>282</u>	<u>(3,208)</u>	<u>-</u>
 TOTAL DEPRECIABLE PROPERTY	 573,331	 282	 -	 573,613
 Land	 <u>56,696</u>	 <u>-</u>	 <u>-</u>	 <u>56,696</u>
	\$ 630,027	\$ 282	\$ -	\$ 630,309

Accumulated Depreciation				Net Carrying
Balance July 1, 1999	Additions	Retirements	Balance June 30, 2000	Amount June 30, 2000
\$ 163,562	\$ 18,093	\$ -	\$ 181,655	\$ 349,034
14,140	1,530	-	15,670	7,277
19,456	104	-	19,560	417
-	-	-	-	-
197,158	19,727	-	216,885	356,728
-	-	-	-	56,696
\$ 197,158	\$ 19,727	\$ -	\$ 216,885	\$ 413,424

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2000

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures/Loan Balance</u>
U.S. Department of Housing and Urban Development Section 202 Direct Loan	N/A	\$ 571,172
Section 8 Housing Assistance Payments	14.195	<u>50,047</u>
Total		\$ 621,219

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.

GRAHAM A. PORTUS, E.A.

JULIA W. PORTUS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.
JENNIE ROBICHEAUX, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (337) 439-1986
FACSIMILE (337) 439-1366

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

August 14, 2000

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 2000, and have issued our report dated August 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

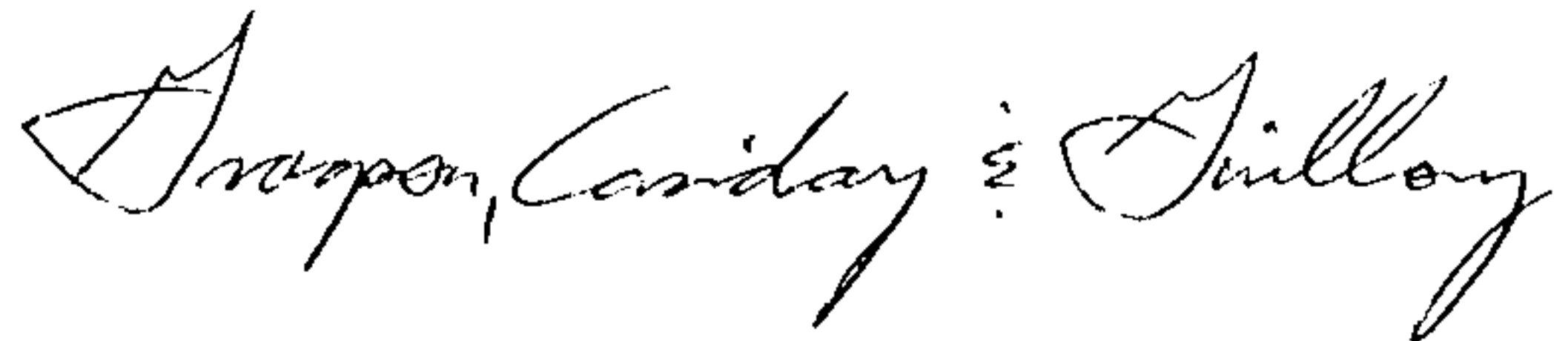
As part of obtaining reasonable assurance about whether Louisiana Disabled Persons Finance Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Disabled Persons Finance Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be

material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Gragson, Casiday & Guillory". The signature is written in black ink and is positioned in the upper right quadrant of the page.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.

JULIA W. PORTUS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REED, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.
JENNIE ROBICHEAUX, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (337) 439-1986
FACSIMILE (337) 439-1366

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

August 14, 2000

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

Compliance

We have audited the compliance of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The Corporation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis evidence about Louisiana Disabled Persons Finance Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Corporation's compliance with those requirements.

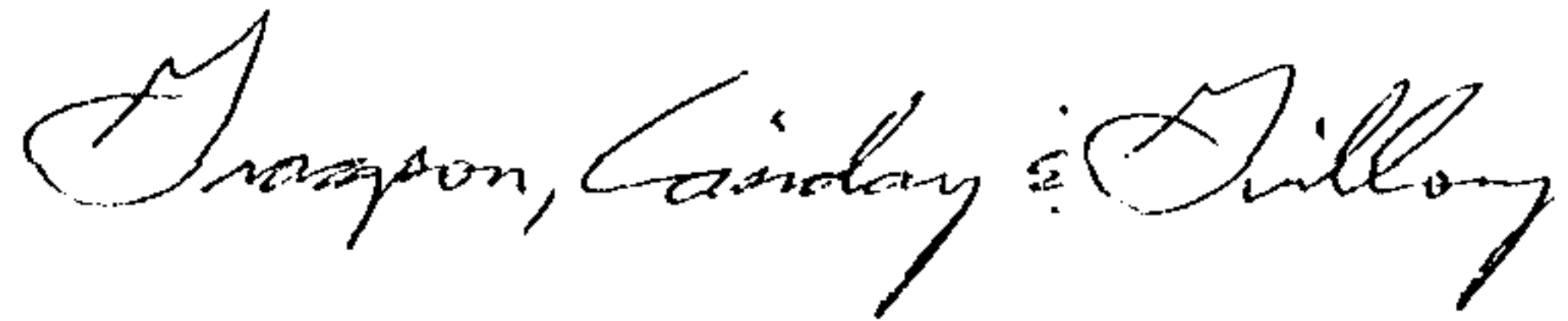
In our opinion, Louisiana Disabled Persons Finance Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Louisiana Disabled Persons Finance Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Gragson, Casiday & Guillory".

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Louisiana Disabled Persons Finance Corporation.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance were identified during the audit of the financial statements.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award programs for Louisiana Disabled Persons Finance Corporation expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Louisiana Disabled Persons Finance Corporation are reported in Part C of this Schedule.
7. The program tested as the only major program was Section 202 Direct Loan.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Louisiana Disabled Persons Finance Corporation was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

QUESTIONED
COST

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT

QUESTIONED
COST

NONE

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

There were no prior year findings.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF PROJECT OWNER

Year Ended June 30, 2000

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation, and to the best of our knowledge and belief, the same is complete and accurate.



Albert Toombs
Finance Director



Howard Stroud, Jr., Ed.D.
Executive Director
Corporation EIN 72-0979554

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

MANAGEMENT AGENT'S CERTIFICATION

Year Ended June 30, 2000

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation, and to the best of our knowledge and belief, the same is complete and accurate.



Albert Toombs
Finance Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698



Howard Stroud, Jr., Ed.D.
Executive Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698